

Sales/Use  
Tax Nexus  
Law Update  
since  
November  
16, 2020

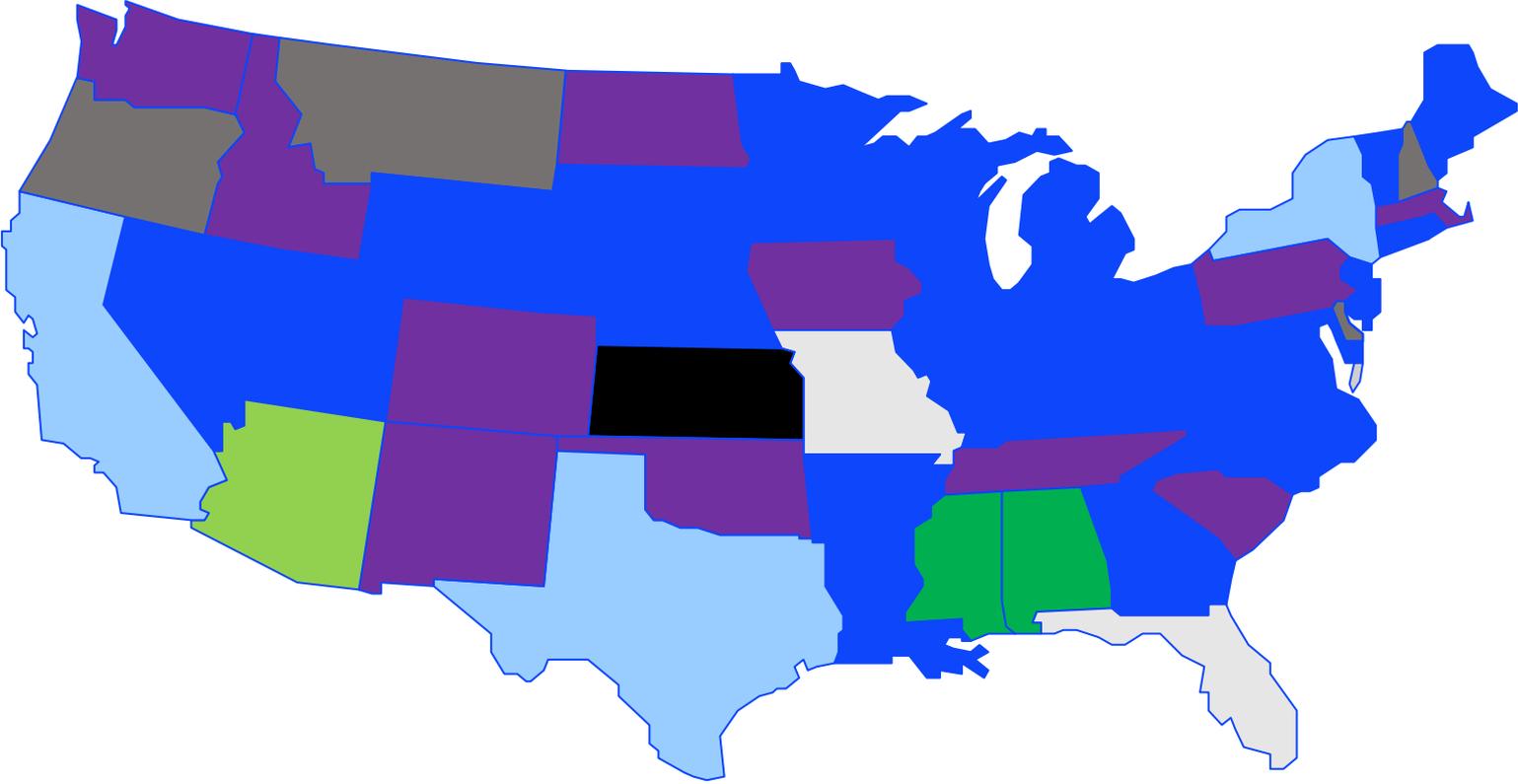
# MTC Nexus Committee

## April 20, 2021

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# Sales/Use Tax Economic Nexus Thresholds

As of March 31, 2020



- >\$100,000 sales/200 transactions
- >\$100,000 sales
- >\$500,000 sales
- No Sales Tax

- >\$250,000 sales
- >\$150,000 sales

Alaska local gov  
Hawaii, DC  
No threshold



# Economic nexus legislation 2021

## Florida

Florida SB 50 passed Senate 3/25/2021, \$100,000 threshold, also marketplace facilitator collection, 911 tax collection, eff. 7/1/2021

Other bills: HB 15 (passed House Ways & Means Committee 3/11/2021)

## Kansas

Kansas SB 50 passed, on governor's desk, \$100,000 threshold eff. 7/1/2021, also marketplace facilitator collection, transient guest tax collection 1/1/2022; 911 fees collection eff. 4/1/2022

Other bills: HB 2171 introduced

## Missouri

Missouri HB 554 passed House 3/11/2021, \$100,000 threshold eff. 1/1/2022, also marketplace facilitator collection; Governor supported in state of the state address on 1/27/2021

Other bills: HB 244, HB 555, SB 97, SB 153, SB 248, HB 593, HB 644

## Wisconsin

AB 2 has passed Wisconsin Legislature, awaiting governor's signature, repealing 200 transactions threshold.

# Local Sales Tax Simplification

**Alabama** Simplified Sellers Use Tax—flat rate for remote sellers

**Texas** Comptroller—flat rate for remote sellers

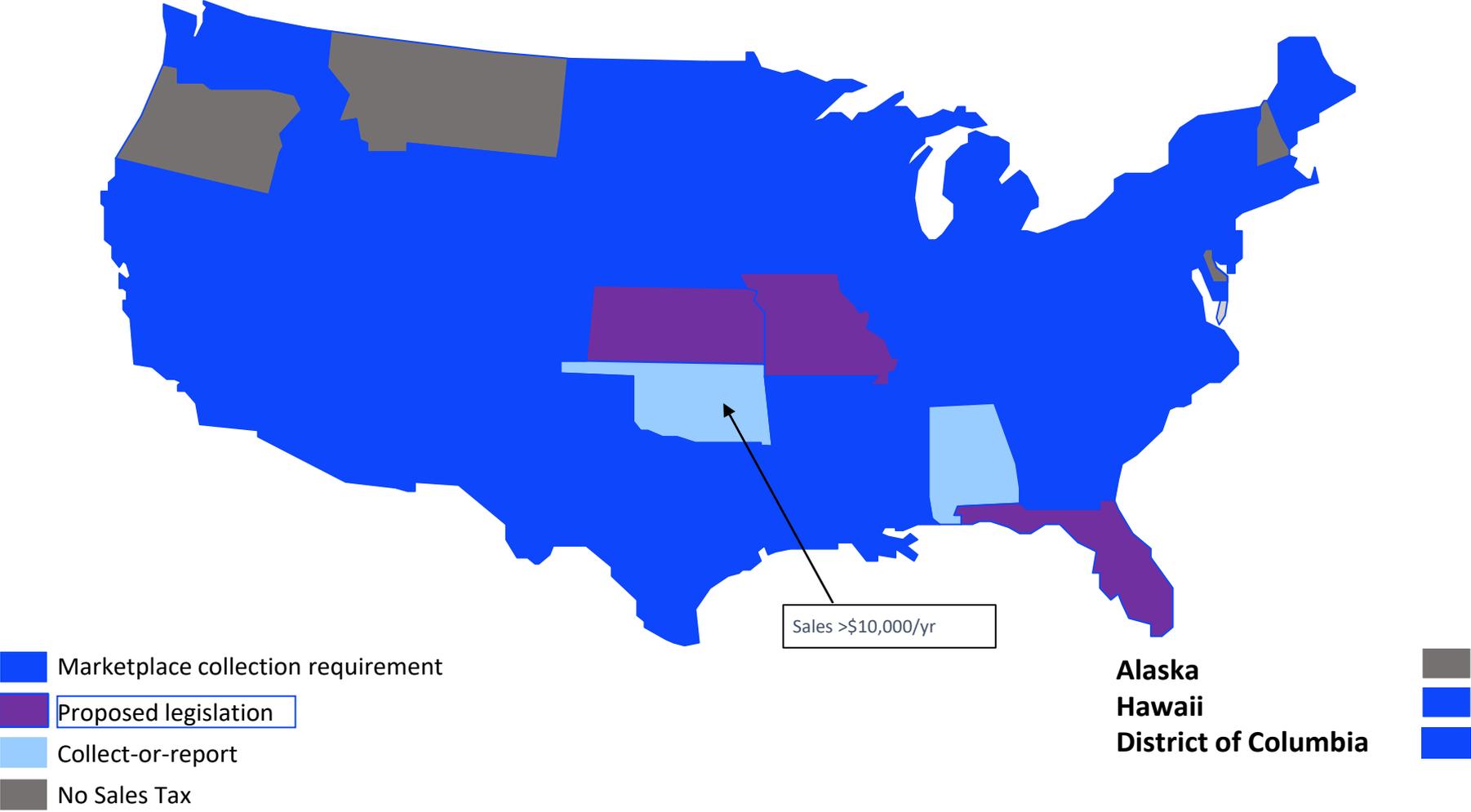
**Alaska** Remote Seller Sales Tax Commission--centralized administration of some “home rule” local taxes; eff. 2/1/21, Municipality of Anchorage adopted ARSSTC code for alcohol beverage sales tax. *Checkpoint*, State Tax Update 2/8/21

**Colorado** Department of Revenue--Sales and Use Tax System (SUTS), “one-stop” portal for remote sellers to file returns for state and participating “home rule” local jurisdictions. Two-thirds of home-rule munis have joined as 2/22/21. Destination sourcing is in effect 7/1/21.

**Louisiana** Sales and Use Tax Commission for Remote Sellers—centralized administration of “home rule” local taxes

# Marketplace Collection Requirements... So far

As of April 6, 2021



# Marketplace Facilitator Collection Legislation pending in 2021

- Florida SB 50/HB 15 \$100,000/200 trans. threshold (SB 50 passed Senate 3/25/21; HB 515 passed House Ways & Means Comm. 3/10/21)
  - Kansas SB 50 \$100,000 threshold eff. 7/1/2021, collect transient guest tax eff. 1/1/2022, collect 911 fees 4/1/2022, passed, on governor's desk; HB 2395 (no threshold)
  - Missouri HB 554 \$100,000 threshold eff. 1/1/2022 passed House 3/11/2021
- Other bills: SB 97, SB 153, SB 248, HB 593, HB 555, HB 644

# Bills introduced in 2021 broadening marketplace facilitator tax collection

**Arizona** HB 2871 imposing additional TPT tax on online lodging marketplaces

**Florida** SB 50/HB 15 911 tax, waste tire fee, lead-acid battery fee eff. 4/1/2022

**Georgia** HB 317 classify innkeepers as marketplace facilitators, passed and on governor's desk

**Kansas** SB 50—911 tax eff. 4/1/2022; transient guest tax eff. 1/1/2022, passed and on governor's desk

**Maryland** HB 1209 peer-to-peer car sharing platforms are marketplace facilitators required to collect sales tax

**Mississippi** HB 1141 imposing 6% excise tax on peer-to-peer car sharing transactions, requiring car sharing platforms to collect sales tax, eff. 1/1/2022

**Missouri** HB 554 eff. 1/1/2022

**Texas** SB 477 911 tax and lead-acid battery fee eff. 10/1/2021

# Bills introduced in 2021 amending marketplace laws

- Arkansas HB 1033 introduced—removes reference to “digital magazines” from definition of “marketplace facilitator”
- Arkansas HB 1038 introduced—clarifies that sales tax applies to delivery charges on marketplace facilitator sales

# Enacted bills in 2021 broadening marketplace facilitator tax collection

- **West Virginia** SB 270 hotel occupancy tax eff. 1/1/2022, signed by governor 3/18/2021.

# Regulations concerning marketplace facilitator requirements to collect excise taxes

- Hawaii Dept. of Taxation Announcement 2021-04 providing temporary rules requiring peer-to-peer car sharing marketplaces to register, collect Rental Motor Vehicle Surcharge Tax and file returns commencing March 1, 2021.

# Recent Illinois DOR guidance re collection of miscellaneous taxes

- Remote retailer collects E911 surcharge and ITAC assess. on prepaid wireless service; tire user fee; Chicago home rule municipal soft drink ROT.
- Marketplace seller collects E911 surcharge and ITAC assess. on prepaid wireless service; tire user fee. Illinois DOR suggests marketplace facilitators collect and provide these taxes to the marketplace sellers along with the gross receipts from the sale.
- Marketplace facilitator collects Chicago home rule municipal soft drink ROT.
- Restaurants/food and bev. estab. located within Metropolitan Pier and Exposition Authority (MPEA) boundaries collect MPEA Food and Beverage Tax and marketplace facilitators collect other applicable state and local ROTs.

Compliance Alerts: CA-2021-01, CA-2021-02 (2/4/2021)

# Oklahoma Tax Commission guidance for remote sellers and marketplace facilitators

- Commission published FAQ's on February 1, 2021 providing guidance to remote sellers and marketplace facilitators concerning compliance with Oklahoma's sales/use tax economic nexus and marketplace facilitator tax collection laws. "Oklahoma Tax Commission Issues FAQ Regarding Sales and Use Tax Permit Registration for Remote Sellers," *Bloomberg Law Daily Tax Report: State*, February 18, 2021.
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